TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE

FISCAL NOTE

HB 2643 - SB 2888

March 10, 2012

SUMMARY OF BILL: Requires the Commissioner of the Department of Finance and Administration (DOFA) to discontinue deducting membership dues for an organization or association if 20 percent, rather than 25 percent, of the members in a single work location are determined to have engaged in a work stoppage. Decreases from two years to one, the length of time the chief elected officer of an association may take as administrative leave without pay. Removes the requirement that at the end of such a leave period, the individual shall be entitled to return to the individual's former position at the same place of employment in the same class or rank in the division or department held prior to taking the leave. Prohibits the individual from accruing benefits or participating in the state's benefits programs during such leave. Decreases, from five to three, the percentage of employees who are association members entitled to the use of two days of annual leave to attend a statewide meeting, conference, or convention of the association. Directs that the first ten percent, rather than 25 percent, of employees in a work unit shall be granted such an absence from work with pay. Authorizes the agency head to grant such an absence to more than 10 percent of employees. Eliminates the 12 administrative leave days granted to employees who are officers of the association.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures - $34,900

Assumptions:

- According to the Department of Finance and Administration, any reduction in the number of deductions needed to be entered into the payroll system can be accomplished utilizing existing resources without an increased appropriation or a reduced reversion.
- According to the Department of Human Resources (DOHR), there has not been a work stoppage in the last five years. Assuming the Department's responsibilities for certifying a work stoppage do not change, DOHR can implement these responsibilities utilizing existing resources.
- According to DOHR, agencies hire an interim employee when an employee is on leave without pay for an extended period of time. This bill will reduce by one year the amount of time that an interim employee will be needed.
- The employee on leave will not be permitted to contribute to any state benefits. The state's average payment for health benefits is $5,883 annually per employee.

- According to DOHR, the state's average payment for retirement benefits is 14.91 percent of the average state salary, which is $47,493 annually. The recurring decrease in state expenditures is $12,964 [($47,493 salary x 14.91% retirement) + $5,883 health benefits] per employee.
- Based upon information provided by DOHR, employees take an average of 120 days of administrative leave to attend the statewide meetings each year. The average daily salary for employees is $182.67. The estimated recurring decrease in state expenditures is $21,920 (120 days x $182.67 salary).
- The total recurring decrease in state expenditures is $34,884 ($12,964 + $21,920).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

Lucian D. Geise, Executive Director

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